

City of La Quinta

CITY COUNCIL MEETING: July 7, 2015

STAFF REPORT

AGENDA TITLE: ADOPT RESOLUTION REQUESTING COUNTY OF RIVERSIDE TO PLACE COLLECTION COSTS FOR SOLID WASTE HANDLING SERVICES AT SINGLE-FAMILY DWELLINGS ON TAX ROLLS

RECOMMENDATION

Adopt a Resolution requesting the County of Riverside to place collection costs of solid waste handling services for single-family dwellings on the Tax Rolls.

EXECUTIVE SUMMARY

- The County Tax Assessor requires City Council to annually adopt a resolution requesting solid waste collection services to be placed on the residential Tax Rolls (commercial properties are direct-billed).
- Burrtec, the City's waste management company, requested a Consumer Price Index (CPI) and disposal component fee increase for 2015/16 (Attachment 1).
- Both items result in a combined monthly increase of \$0.25 per single-family dwelling.

FISCAL IMPACT

None.

BACKGROUND/ANALYSIS

The City contracts with Burrtec for solid waste collection and handling services; the current contract runs from July 1, 2007 through June 30, 2016. The agreement stipulates that the cost for single-family dwelling services will be collected on the Tax Rolls. The County Tax Assessor requires the City Council to annually adopt a Resolution requesting that this cost be placed on the Tax Rolls. This practice results in a monthly cost savings of approximately \$1.43 per single-family dwelling.

To ensure that these service costs are not subject to Proposition 218, which provides that all taxes and most charges are subject to voter approval, the City Council does not set rates, but instead establishes a rate ceiling for services pursuant to its regulatory authority. The Council may adjust the maximum rate ceiling each year, as needed. Rate ceiling adjustments are only required for accounts that are collected on the Tax Rolls, which currently only applies to single-family dwellings. For reference, Attachment 2 illustrates fee increases for all types of accounts serviced by Burrtec (i.e. commercial, roll off, temporary).

Burrtec submitted a rate increase on May 2, 2015, requesting both CPI and disposal charge adjustments for 2015/16 as follows:

- A CPI increase of 0.51 percent increase for the period of March 2014 to March 2015 (as authorized in franchise agreement). This results in a monthly increase of \$0.09 per single-family dwelling.
- Disposal charge (or tipping fee) increase to fund Riverside County’s tip fee increase for the Edom Hill Transfer Station of \$2.54 per ton to \$44.24; the current rate is \$41.70 per ton. This results in a monthly increase to the disposal component of \$0.20 per single-family dwelling.
- The combination of the CPI and disposal component increases represents a total monthly rate increase of \$0.25.

A chart illustrating the increases is provided below as it applies to single-family dwelling unit service. The AB 939 fee is a fixed amount and is utilized to fund City-initiated programs to increase solid waste diversion.

Single-Family Dwelling	2014 Rate (existing)	2015 Rate (proposed)
Service Component of Maximum Rate	\$8.76/month	\$8.81/month
Disposal Component of Maximum Rate	\$3.23/month	\$3.43/month
AB 939 Fee	\$0.61/month	\$0.61/month
Total Rate	\$12.60/month \$151.20/year	\$12.85/month \$154.20/year
Additional Refuse Cart	\$6.68/month \$80.16/year	\$6.71/month \$80.52/year
Backyard Service		
For refuse and first recycling carts/containers	\$6.30/month \$75.60/year	\$6.33/month \$75.96/year
For each additional cart/container	\$6.30/month \$75.60/year	\$6.33/month \$75.96/year
Surcharge for Homeowners’ Associations Desiring Monday Service	10 percent of Service Component	

Should the City Council not adopt the proposed Resolution, or should Property Tax Roll billing cease for any reason, the service component of the maximum monthly rate would increase by \$1.43 for a monthly total rate of \$14.28. This would represent the additional costs associated with direct billing to residents.

ALTERNATIVES

As the request is authorized by the current Franchise Agreement, staff does not recommend an alternative.

Report prepared by: Ted Shove, Business Analyst

Report approved by: Frank J. Spevacek, City Manager

Attachments: 1. Burrtec correspondence
 2. Fee increases

RESOLUTION NO. 2015 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA QUINTA, CALIFORNIA, REQUESTING THE COUNTY OF RIVERSIDE TO PLACE COLLECTION OF COSTS FOR SOLID WASTE HANDLING SERVICES AT SINGLE-FAMILY DWELLINGS ON THE TAX ROLLS.

WHEREAS, the La Quinta City Council wishes to ensure the uniform collection of rates for solid waste handling services at single-family dwellings by placing collection thereof on the County of Riverside Tax Assessor's Tax Rolls; and

WHEREAS, the attached Exhibit A sets forth the maximum rates that may be collected for solid waste handling services at single-family dwellings in the City of La Quinta pursuant to a franchise agreement with an Effective Date of July 1, 2007, entitled "Agreement Between The City of La Quinta and Burrtec Waste and Recycling Services, LLC, for Solid Waste Handling Services"; and

WHEREAS, the La Quinta has determined that applicable provisions, if any, of Proposition 218 (Articles XIII C and XIII D of the California Constitution) have been satisfied in connection with the matters addressed by the Resolution; and

NOW, THEREFORE, BE IT RESOLVED by the City of La Quinta, to adopt as follows:

SECTION 1. The City Council hereby requests the Riverside County Tax Assessor to place collection of costs for solid waste handling services at single-family dwellings in the City on the County's tax rolls (Exhibit A).

PASSED, APPROVED, and ADOPTED at a regular meeting of the La Quinta City Council held on this 7th day of July, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

LINDA EVANS, Mayor
City of La Quinta, California

ATTEST:

SUSAN MAYSELS, City Clerk
City of La Quinta, California

(CITY SEAL)

APPROVED AS TO FORM:

WILLIAM H. IHRKE, City Attorney
City of La Quinta, California

EXHIBIT A: RESOLUTION 2015-

**CITY OF LA QUINTA
 REFUSE COLLECTION RATE AND DISPOSAL CHARGE
 TAX BILLING FISCAL YEAR 2015/2016 – RESIDENTIAL PROPERTY**

Single-Family Dwelling	2014 Rate (existing)	2015 Rate (proposed)
Service Component of Maximum Rate	\$8.76/month	\$8.81/month
Disposal Component of Maximum Rate	\$3.23/month	\$3.43/month
AB 939 Fee	\$0.61/month	\$0.61/month
Total Rate	\$12.60/month \$151.20/year	\$12.85/month \$154.20/year
Additional Refuse Cart	\$6.68/month \$80.16/year	\$6.71/month \$80.52/year
Backyard Service		
For refuse and first recycling carts/containers	\$6.30/month \$75.60/year	\$6.33/month \$75.96/year
For each additional cart/container	\$6.30/month \$75.60/year	\$6.33/month \$75.96/year
Surcharge for Homeowners' Associations Desiring Monday Service	10 percent of Service Component	



RECEIVED

MAY 15 2015

CITY OF LA QUINTA
CITY MANAGER'S OFFICE

May 2, 2015

Mr. Frank Spevacek
City Manager
City of La Quinta
78-495 Calle Tampico
La Quinta, CA 92253

RE: 2015 Rate Adjustment

Dear Mr. Spevacek,

In accordance with Section 24 of the Franchise Agreement for Solid Waste, Burrtec respectfully request a rate adjustment. The increase in the Consumer Price Index (CPI) for the period March 2014 to March 2015 was 0.51%. (Index Sheet Attached)

It is anticipated the county of Riverside will approve a 6.09% disposal increase. The rate will go from \$41.70 to \$44.24 /ton.

Please see attached rate sheets reflecting the CPI and Disposal increase.

Section 24.3 in the new Franchise Agreement states that The City Manager shall approve such a request unless he determines, based upon substantial evidence, that the requested adjustment to the maximum rate does not meet the requirements as set forth.

I am available at your convenience to discuss the increase.

Sincerely,

Mike Veto
Director of Municipal Services

cc: Chris Escobedo

cc: Debbie Morris, HF&H

**RESIDENTIAL CUSTOMERS
EFFECTIVE JULY 1, 2015**

Residential Rates for July 1, 2015

**Includes 100% of CPI Increase of 0.51% on Service Component (March 2014 – March 2015) and
Transfer Station Tip Fee Increase from \$41.70 to \$44.24 per ton
on Disposal Component (July 2014 – July 2015)**

Single Family Dwellings	Service Component	Disposal Component	AB 939 Fees	Total Monthly Rate*	Total Yearly Rate
Automated or Manual Collection - Tax Roll Billing	\$ 8.81	\$ 3.43	\$ 0.61	\$ 12.85	\$ 154.20
Automated or Manual Collection - Direct Billing	\$ 10.24	\$ 3.43	\$ 0.61	\$ 14.28	\$ 171.36
Additional Refuse Cart	\$ 6.71			\$ 6.71	\$ 80.52
Cart Replacement (Per Section 8.1.8 (F)) - one time fee	\$ 56.30			\$ 56.30	n/a
Bulky Item: in excess of 4 items or non-regular collection day**	\$ 16.89			\$ 16.89	n/a
Backyard Service					
Basic Additional Charge for Backyard Service	\$ 6.33			\$ 6.33	\$ 75.96
Charge for Each Additional Cart/Container Per Section 8.2.3	\$ 6.33			\$ 6.33	\$ 75.96
PGA - 2nd Pick-Up Day	\$ 7.72	\$ 3.43		\$ 11.15	\$ 133.80
Surcharge for HOA's Desiring Monday Service	10% of Service Component			10% of Service Component	

*The maximum rates on this sheet shall apply to all customers receiving automated or manual service utilizing refuse carts or cans, including specifically such customers (if any) at commercial premises.

** Charged for pickups in excess of four items, or pickup on a non-collection day. Pickup otherwise at no additional charge.

Residential Service Component Calculations for July 1, 2015

Includes 100% of CPI Increase of 0.51% on Service Component (March 2014 – March 2015)

Single Family Home/Townhouse Condominium/Mobile Home	Service Component Approved 2014	Service Component Increase (March 2014 to March 2015)	New Service Component July 1, 2015
Automated or Manual Collection - Tax Roll Billing	\$8.76	\$0.05	\$8.81
Automated or Manual Collection - Direct Billing	\$10.19	\$0.05	\$10.24
Additional Refuse Cart	\$ 6.68	\$0.03	\$6.71
Cart Replacement (Per Secton 8.1.8 (F)) - one time fee	\$ 56.01	\$0.29	\$56.30
Backyard Service			
Basic Additional Charge for Backyard Service	\$ 6.30	\$0.03	\$6.33
Charge for Each Additional Cart/Container Per Section 8.2.3	\$ 6.30	\$0.03	\$6.33
PGA - 2nd Pick-Up Day	\$7.68	\$0.04	\$7.72
Surcharge for HOA's Desiring Monday Service	10% of Service Component		

Residential Disposal Component Calculations for July 1, 2015

Includes 100% of Transfer Station Tip Fee Increase from \$41.70 to \$44.24 per ton on Disposal Component (July 2014 – July 2015)

Single Family Home/Townhouse Condominium/Mobile Home	Dump Fee, in rates approved 2014	Increase for Transfer Station Fee Increase (July 2014 to July 2015)	New Dump Fee Component July 1, 2015
Automated or Manual Collection - Tax Roll Billing	\$3.23	\$0.20	\$3.43
Automated or Manual Collection - Direct Billing	\$3.23	\$0.20	\$3.43

**COMMERCIAL BIN CUSTOMERS
EFFECTIVE JULY 1, 2015**

Commercial Bin Rates for July 1, 2015

**Includes 100% of CPI Increase of 0.51% on Service Component (March 2014 – March 2015) and
Transfer Station Tip Fee Increase from \$41.70 to \$44.24 per ton
on Disposal Component (July 2014 – July 2015)**

2 Yard Bin Service	Proposed Rates			
Pickups Per Week	Service Component	AB 939	Disposal Component	Monthly Customer Rate
1	\$ 60.33	\$ 3.88	\$ 25.74	\$ 89.95
2	\$ 105.09	\$ 7.76	\$ 49.07	\$ 161.92
3	\$ 147.63	\$ 11.63	\$ 72.55	\$ 231.81
4	\$ 189.96	\$ 15.51	\$ 95.81	\$ 301.28
5	\$ 232.36	\$ 19.39	\$ 114.40	\$ 366.15
6	\$ 275.08	\$ 23.27	\$ 142.32	\$ 440.67
Extra Empty*	\$ 33.33		\$ 6.44	\$ 39.77

3 Yard Bin Service	Proposed Rates			
Pickups Per Week	Service Component	AB 939	Disposal Component	Monthly Customer Rate
1	\$ 75.72	\$ 5.82	\$ 36.88	\$ 118.42
2	\$ 130.32	\$ 11.63	\$ 71.18	\$ 213.13
3	\$ 183.73	\$ 17.45	\$ 104.52	\$ 305.70
4	\$ 233.17	\$ 23.27	\$ 137.78	\$ 394.22
5	\$ 285.77	\$ 29.07	\$ 171.81	\$ 486.65
6	\$ 336.57	\$ 34.89	\$ 204.86	\$ 576.32
Extra Empty*	\$ 45.42		\$ 9.21	\$ 54.63

4 Yard Bin Service	Proposed Rates			
Pickups Per Week	Service Component	AB 939	Disposal Component	Monthly Customer Rate
1	\$ 103.54	\$ 7.76	\$ 49.65	\$ 160.95
2	\$ 161.97	\$ 15.51	\$ 93.42	\$ 270.90
3	\$ 222.59	\$ 23.27	\$ 137.01	\$ 382.87
4	\$ 283.43	\$ 31.01	\$ 181.11	\$ 495.55
5	\$ 340.97	\$ 38.76	\$ 224.57	\$ 604.30
6	\$ 397.24	\$ 46.51	\$ 267.82	\$ 711.57
Extra Empty*	\$ 61.51		\$ 12.42	\$ 73.93

6 Yard Bin Service	Proposed Rates			
Pickups Per Week	Service Component	AB 939	Disposal Component	Monthly Customer Rate
1	\$ 155.34	\$ 11.63	\$ 73.86	\$ 240.83
2	\$ 242.95	\$ 23.27	\$ 141.79	\$ 408.01
3	\$ 333.83	\$ 34.89	\$ 208.06	\$ 576.78
4	\$ 425.47	\$ 46.51	\$ 274.34	\$ 746.32
5	\$ 511.50	\$ 58.14	\$ 341.80	\$ 911.44
6	\$ 595.89	\$ 69.78	\$ 407.41	\$ 1,073.08
Extra Empty*	\$ 91.83		\$ 18.47	\$ 110.30

*Meaning occasional calls for extra service, or "emptying" of Bin.

Customers desiring a locking Bin may be charged a one time charge of up to \$64.65 to add a locking bar to their Bin, and are subject to a charge not to exceed \$24.87 each time the locking bar needs replacement.

The Service Component for Customers receiving services less than 6 times per week and who desire service on Saturday may be increased by an amount not to exceed \$26.89.

The monthly Service Component for Customers who keep Bins in locked enclosures may be increased by an amount not to exceed \$18.71.

The monthly Service Component for Customers who keep Bins in a location requiring Contractor to move them more than 20 feet for collection purposes may be increased by an amount not to exceed \$33.16.

Commercial Bin Service Component Calculations for July 1, 2015

Includes 100% of CPI Increase of 0.51% on Service Component (March 2014 – March 2015)

2 Yard Bin Service			
Pickups Per Week	Service Component 7/1/14	CPI Increase	Service Component 7/1/15
1	\$ 60.02	\$ 0.31	\$ 60.33
2	\$ 104.55	\$ 0.54	\$ 105.09
3	\$ 146.88	\$ 0.75	\$ 147.63
4	\$ 188.99	\$ 0.97	\$ 189.96
5	\$ 231.17	\$ 1.19	\$ 232.36
6	\$ 273.67	\$ 1.41	\$ 275.08
Extra Empty	\$ 33.16	\$ 0.17	\$ 33.33

3 Yard Bin Service			
Pickups Per Week	Service Component 7/1/14	CPI Increase	Service Component 7/1/15
1	\$ 75.33	\$ 0.39	\$ 75.72
2	\$ 129.65	\$ 0.67	\$ 130.32
3	\$ 182.79	\$ 0.94	\$ 183.73
4	\$ 231.98	\$ 1.19	\$ 233.17
5	\$ 284.31	\$ 1.46	\$ 285.77
6	\$ 334.85	\$ 1.72	\$ 336.57
Extra Empty	\$ 45.19	\$ 0.23	\$ 45.42

4 Yard Bin Service			
Pickups Per Week	Service Component 7/1/14	CPI Increase	Service Component 7/1/15
1	\$ 103.01	\$ 0.53	\$ 103.54
2	\$ 161.14	\$ 0.83	\$ 161.97
3	\$ 221.45	\$ 1.14	\$ 222.59
4	\$ 281.98	\$ 1.45	\$ 283.43
5	\$ 339.23	\$ 1.74	\$ 340.97
6	\$ 395.21	\$ 2.03	\$ 397.24
Extra Empty	\$ 61.20	\$ 0.31	\$ 61.51

6 Yard Bin Service			
Pickups Per Week	Service Component 7/1/14	CPI Increase	Service Component 7/1/15
1	\$ 154.55	\$ 0.79	\$ 155.34
2	\$ 241.71	\$ 1.24	\$ 242.95
3	\$ 332.12	\$ 1.71	\$ 333.83
4	\$ 423.29	\$ 2.18	\$ 425.47
5	\$ 508.88	\$ 2.62	\$ 511.50
6	\$ 592.84	\$ 3.05	\$ 595.89
Extra Empty	\$ 91.36	\$ 0.47	\$ 91.83

Commercial Bin Disposal Component Calculations for July 1, 2015

**Includes 100% of Transfer Station Tip Fee Increase from \$41.70 to \$44.24 per ton
on Disposal Component (July 2014 – July 2015)**

2 Yard Bin Service			
Pickups Per Week	Disposal Component 7/1/14	Disposal Increase	Disposal Component 7/1/15
1	\$ 24.26	\$ 1.48	\$ 25.74
2	\$ 46.25	\$ 2.82	\$ 49.07
3	\$ 68.38	\$ 4.17	\$ 72.55
4	\$ 90.31	\$ 5.50	\$ 95.81
5	\$ 107.83	\$ 6.57	\$ 114.40
6	\$ 134.15	\$ 8.17	\$ 142.32
Extra Empty	\$ 6.07	\$ 0.37	\$ 6.44

3 Yard Bin Service			
Pickups Per Week	Disposal Component 7/1/14	Disposal Increase	Disposal Component 7/1/15
1	\$ 34.76	\$ 2.12	\$ 36.88
2	\$ 67.09	\$ 4.09	\$ 71.18
3	\$ 98.52	\$ 6.00	\$ 104.52
4	\$ 129.87	\$ 7.91	\$ 137.78
5	\$ 161.95	\$ 9.86	\$ 171.81
6	\$ 193.10	\$ 11.76	\$ 204.86
Extra Empty	\$ 8.68	\$ 0.53	\$ 9.21

4 Yard Bin Service			
Pickups Per Week	Disposal Component 7/1/14	Disposal Increase	Disposal Component 7/1/15
1	\$ 46.80	\$ 2.85	\$ 49.65
2	\$ 88.06	\$ 5.36	\$ 93.42
3	\$ 129.14	\$ 7.87	\$ 137.01
4	\$ 170.71	\$ 10.40	\$ 181.11
5	\$ 211.68	\$ 12.89	\$ 224.57
6	\$ 252.44	\$ 15.38	\$ 267.82
Extra Empty	\$ 11.71	\$ 0.71	\$ 12.42

6 Yard Bin Service			
Pickups Per Week	Disposal Component 7/1/14	Disposal Increase	Disposal Component 7/1/15
1	\$ 69.62	\$ 4.24	\$ 73.86
2	\$ 133.65	\$ 8.14	\$ 141.79
3	\$ 196.11	\$ 11.95	\$ 208.06
4	\$ 258.59	\$ 15.75	\$ 274.34
5	\$ 322.18	\$ 19.62	\$ 341.80
6	\$ 384.02	\$ 23.39	\$ 407.41
Extra Empty	\$ 17.41	\$ 1.06	\$ 18.47

Roll-off & Temporary Rates for July 1, 2015

**Includes 100% of CPI Increase of 0.51% on Service Component (March 2014 – March 2015)
And Actual Disposal Costs**

Service Component:

<u>Rolloff Box Size</u>		
Standard 20 yard box	\$ 115.64	per pull plus \$13.10/ton of Solid Waste Collected
Standard 30 yard box	\$ 159.02	per pull plus \$13.10/ton of Solid Waste Collected
Standard 40 yard box	\$ 186.16	per pull plus \$13.10/ton of Solid Waste Collected

The Service Component for Rolloff Compactors is three times the per pull rate for the same size Rolloff Box, plus \$13.10 per ton of Solid Waste Collected
(i.e., the Service Component for a 40 yd. Compactor is: $3 \times \$ 186.16 = \$558.48 + \$13.10/\text{ton}$)

Disposal Component:

Actual Amount Charged to Contractor for Disposal

TEMPORARY SERVICE USING BINS

Temporary Service utilizing a 3yd Bin is subject to a maximum rate, comprised only of a Service Component, of \$ 119.21 per servicing by Contractor

Temporary Service utilizing a 4yd Bin is subject to a maximum rate, comprised only of a Service Component, of \$ 130.68 per servicing by Contractor

Temporary Service Delivery Charge

Bins and Rolloff Boxes used for Temporary Services are subject to a delivery charge of: \$ 20.37

Roll-off & Temporary Service Component Calculations for July 1, 2015

Includes 100% of CPI Increase of 0.51% on Service Component (March 2014 – March 2015)

ROLL OFF BOXES			
Roll Off Box Size	Service Component 7/1/14	Increase	Service Component 7/1/15
20 yard	\$ 115.05	\$ 0.59	\$ 115.64
30 yard	\$ 158.21	\$ 0.81	\$ 159.02
40 yard	\$ 185.21	\$ 0.95	\$ 186.16
Extra Trip Fee	\$ 57.14	\$ 0.29	\$ 57.43

TEMPORARY SERVICE			
Bin Size	Service Component 7/1/14	Increase	Service Component 7/1/15
3 yard	\$ 118.60	\$ 0.61	\$ 119.21
4 yard	\$ 130.01	\$ 0.67	\$ 130.68
Delivery Charge	\$ 20.27	\$ 0.10	\$ 20.37

**OTHER CHARGES
EFFECTIVE JULY 1, 2015**

**Includes 100% of CPI Increase of 0.51% on Service Component (March 2014 – March 2015)
And Actual Disposal Costs**

Service	Service Component 7/1/14	Increase	Service Component 7/1/15
New start fee	\$ 7.17	\$ 0.04	\$ 7.21
Re-Start fee	\$ 18.80	\$ 0.10	\$ 18.90
Returned Check	\$ 23.70	\$ 0.12	\$ 23.82
Delivery charge (bin/ro)	\$ 20.27	\$ 0.10	\$ 20.37
Locked Encl. Svs Component	\$ 18.62	\$ 0.10	\$ 18.72
Move 20 feet Svs Component	\$ 32.99	\$ 0.17	\$ 33.16
Add locking bar: one time charge	\$ 64.32	\$ 0.33	\$ 64.65
Locking Bin Service Component	\$ 24.74	\$ 0.13	\$ 24.87
Saturday Service, Service Component	\$ 26.75	\$ 0.14	\$ 26.89
Bulky Item Collection:			
Residential, including multi-family: in excess of 4 items or non-regular collection day	\$ 16.80	\$ 0.09	\$ 16.89
Commercial	\$ 56.00	\$ 0.29	\$ 56.29

